

A Cyberspace Odyssey 2002 – Domain Names¹

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The legal landscape regarding the interrelationship between Domain Names and Trademarks continues to be a moving target. There is a huge body now of ADR and USA case law, not to mention French and other EU efforts to regulate this e-medium. The cases show that this area, with its wide range of issues combined with international bodies of law acting on a complex jurisdictional arena, will continue to be unpredictable. These bodies of law include: U.S. Trademark (Lanham Act) and ACPA³, Rights of Publicity⁴, EU laws on Trademark and registration, foreign attitudes, and the ICANN – WIPO procedures of ADR. As manifested in the cases based on ACPA and in arbitrations under the UDRP⁵ through ICANN⁶ All of this is showing some trends and one trend that must cause concern is where to litigate; there are times to use the US courts and other times to carefully use UDRP, and times to be careful what you reap and what you sow.

The First Amendment continues to play a major role in IP rights in cyberspace, being used both as a sword against complainants for Domain Names⁷ and as a shield against foreign judgments⁸. Is the USA exporting the First Amendment to the EU? Are we imposing our ACPA law on Foreign disputes? When is it free speech to have a “sucks” site and when dilution? When a trademark is used as a Domain Name representing goodwill in cyberspace,⁹ traditions and common law can become obscure; trademarks and Domain Names are not treated the same. Domain Name owners have rights to use a name that suits their legitimate business needs and to express opinions. These uses can conflict with Trademark owners’ rights. The law will for the foreseeable future attempt to strike a balance between conflicting rights.

Jurisdiction plays a major role. In *Spacey (Kevin) vs. Bugar* U.S.D.C. (Central Dist, Cal. Nov. 16, 2001) CV 01-3848-GAF the Court held that though Kevin Spacey may be a famous Hollywood actor, he had no in personam jurisdiction over the Canadian Jeff Bugar. His case to try and obtain the Domain Name “kevinspacey.com” was dismissed under F.R.Civ.P. 12(b)(2). The “effects” test did not apply because the actor failed to show the web site was

¹ This article was originally published in the California State Bar's Business Law News, edition XXII, issue 1, 2002.

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³ ACPA is the Anti Cybersquatting Consumer Protection Act 15 U.S.C.1125 (d)(1)(A) et seq.

⁴ Such as California’s Civil Code Sec 3344, et seq.

⁵ UDRP is the ICANN Uniform Dispute Resolution Policy with some variations among ADR providers.

⁶ ICANN is the Internet Corporation for Assigned Names and Numbers

⁷ See *Bihari and Bihari Interiors, Inc., V. Gross* S.D. New York.(2000) discussion below.

⁸ See the Yahoo case, French judgment not enforceable in the U.S. as against 1st Amendment” Jeremy Fogel J., *Yahoo!, Inc., V. La Ligue Contre Le Racisme Et L’antisemitisme*, Case Number C-00-21275 JF.

⁹ Cyberspace must mean the WORLD.

directed at California unlike in *Panavision*¹⁰ (web site directed at California company) and more like in *Cybersell*¹¹ (passive site not equal to purposeful availing of forum). Spacey had not registered his Trademark but the Court never reached the cybersquatting issues. He might try the UDRP.

Ford Loses two: In two linked cases, Ford and other manufacturers of famous cars like Volvo, and Land Rover, found sites with hyperlinks using “buttons” made of their graphical logo images. These linked to websites that in a location that cannot be easily reached under jurisdiction principals (Ford). They also found an auction site that hosted sale of Ford-like Domain Names.

Ford Motor Company, V.2600 Enterprises [Corley], (U.S.D.C.,E.D. Mich. So. Div. No. 01-CV-71685-DT. (Dec. 20, 2001) the basic jurisdictional issue was that (1) the Defendant had a website called “fuckgeneralmotors.com.” not Ford.com; (2) On the site, an Internet user is automatically linked to the “official website of Plaintiff Ford Motor Company (“Ford”), which is located at ‘ford.com’” – that’s it. The Defendant calls this creative use of links, “cyberart”. They had a hard core hacker here, “Mr. Corley asserts that, like Orwell’s fictional Goldstein, he is being persecuted for trying to expose Big Brother--here, for Big Brother’s intrusion into the Internet. Incidentally, Mr. Corley is the publisher of Hacker’s Quarterly, an online magazine for computer hackers....” The site otherwise did not sell or solicit anything. Because the

Ford did not use ACPA but asserted their claims in Dilution by tarnishment, infringement and unfair competition. They lost on all counts.

- (1) “Commercial” Use was an essential element for Dilution, “... the Federal Trademark Dilution Act (“FTDA”), codified at 15 U.S.C. § 1125(c), provides that [t]he owner of a famous mark shall be entitled ... to an injunction against another person’s *commercial use* in commerce of a mark or trade name, if such use begins after the mark has become famous and causes dilution of the distinctive quality of the mark.” It was found that the use was not commercial for this purpose. It had no sales nor did it solicit any. It was a site that only linked to another, that of Ford itself. Ford Cited *Planned Parenthood*¹² to no avail. The Court held, “The court is unpersuaded that this use of the FORD mark in any way hampers Plaintiff’s commercial success in an unlawful manner. ***The essence of the Internet is that sites are connected to facilitate access to information.***” [Emphasis supplied] . Thus, Ford could not prove dilution for a prelim.
- (2) As for infringement and unfair competition, there counts be found none, for again, use of the Ford logo linked to a site where there was no commercial use soliciting money or selling anything; just a well protected hyperlink. “Pursuant to 15 U.S.C. § 1114(1)(a), to succeed on an infringement claim, a plaintiff must show that the defendant has used the mark “in connection with the sale, offering for sale, distribution, or advertising of any goods or services.” An essentially identical showing of use “in connection with any goods or services” is required on an unfair competition claim. 15 U.S.C. § 1125(a).”
- (3) The Court concluded, “Defendants’ use of the FORD mark in their programming code, *unlike the unauthorized use of a trademark as a domain name*, does not inhibit Internet users from reaching the websites that are most likely to be associated with the

¹⁰ *Panavision vs. Toeppen* 141 F3d 1316 (9th Cir 1998) Site aimed at Panavision in California.

¹¹ *Cybersell, Inc.(FL) vs. Cybersell* (AZ), Inc. 130 f3d 414 (9th Cir 1997) No “purposeful availing” of AZ business.

¹² *Planned Parenthood Federation of America, Inc. v. Bucci*, No. 97 Civ. 0629(KMW), 1997 WL 133313 (S.D.N.Y. March 24, 1997). The defendant in that case, an active participant in the anti-abortion

mark holder. Second, ...the unauthorized use *in no way competes with the mark* owner's offering of goods or services, the "in connection with goods or services" requirement is not satisfied simply because a prospective user of the Internet may face some difficulty in finding the home page he is seeking.

Lack of ACPA: A note on the *Ford* case however is that it lost on its face, the liability for Ford, should it have let that go without trying to stop it could have GM on their backs for disparagement and other claims. In a companion case, *Ford v. Greatdomains.Com Inc.*, 2001 WL 1661555, 177 F.Supp.2d 628 (E.D.Mich.2001), "this court recently held that the FTDA also requires use of the mark in connection with goods or services. Thus, the reasoning set forth in this case with regard to the infringement and unfair competition claims provides an alternative reason for dismissing Plaintiff's dilution claim." Thus the nail in the coffin for Ford on these claims. In the *Greatdomains* case, Ford lost because of a leak of commercial services also.

Under ACPA there are three basic elements: "A person shall be liable in a civil action by the owner of a mark ... if, without regard to the goods or services of the parties, that person (i) has a bad faith intent to profit from that mark ...; and (ii) registers, traffics in, or uses a domain name that- (I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark; (II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark..."

The Domain Names were: "4fordparts.com," "4fordtrucks.com," "lincolntrucks.com," "jaguarcenter.com," "jaguarenthusiastclub.com," "vintagevolvos.com," and "volvoguy.com". Even though the Court found the first two elements, that the marks were being trafficked, or at least sold and offered, and the mark was registered, famous and obviously similar to the Defendant's Domain Names, they did not find bad faith intent to profit. This was an auction site, and did not own the Domain Names for sale by others. It supplied an appraisal and was paid a percent of the sale price but, (1) Great Domains had not registered any of the names itself and (2) Great Domains merely provided a forum and, "Great Domains does not transfer or receive for consideration the domain names that are sold over its website." Thus it was not liable, though the many registrants of those Domain Names watch out.

Trademarks: a Trademark is defined to "include any word, name, symbol, or device, or any combination thereof used by a person, or which a person has a bona fide intention to use in commerce and applies to register on the principal register established by this Act, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown." Service marks are basically the same, though "use" differs.

Exporting the First Amendment

Web Sites That Suck. If your company finds a website that has the URL "yourcompanysucks.com" you might be concerned of impairment of reputation. *Your Company, Inc.* might have to live with it. Fighting it might include litigation under anti dilution¹³, trademark and ACPA¹⁴ statutes to seek to enjoin the SUCKS sites. Trends tend to show that unless there is an unsavory aspect to it, the First Amendment could permit such uses and abuses.

¹³ 15 U.S.C. 1125(c)

¹⁴ 15 U.S.C. 1125 (d) et seq.

In *Wal-Mart Stores, Inc. v. Walsucks and Walmarket Puerto Rico*, WIPO Case No. D2000-0477, (July 20, 2000), Walmart sought to stop Walsucks.com and Walmarket Puerto Rico, with addresses in Canada from defaming its business using, WALMARTCANADASUCKS.COM", and many others. Wal-Mart registered its marks WAL-MART in the United States and Canada as early as 1965. The Panel of arbitrators, despite that there was a disclaimer that, "This is a freedom of information site set up for dissatisfied Walmart Canada [or UK, respectively] customers," applied U.S. law and the famous factors from the Ninth Circuit in *AMF Inc. v. Sleekcraft Boats*, 599 F.2d 341 (9th Cir. 1979). The *Sleekcraft* factors are used to decide whether there is a "likelihood of confusion"¹⁵. The "sucks" misspelled Domain Names were determined to be in "Bad Faith" within the meaning of paragraph 4(b)(iv) of the Policy. They were confusingly similar to Complainant's mark, Respondent acted for commercial gain, and by threatening to disrupt the business. All the names were transferred to Wal-Mart.

A First Amendment disclaimer from the WIPO Panel... at the end of the case the arbitrators expressly refused to take sides with the First Amendment: "The Panel stresses that this decision does not address *legitimate freedom of expression sites* established by parties *critical of trademark holders*.... [and the panel] anticipates that others... may choose to characterize this decision as seeking to stifle freedom of expression ... by ordering the transfer of "sucks" formative names. Certain trademark holders might ...characterize this decision as supporting actions against "-sucks" ... domain names in other contexts. The Panel intends this decision to serve neither ...aim. This decision is directed to a blatant case of abuse of the domain name registration process -- no more, no less."

Savin the famous maker of copy machines, with four valid Trademark registrations and international fame was not able to obtain the Domain Name "savinsucks.com". NAF case of *Savin Corporation v. savinsucks.com* Claim Number: FA0201000103982 (March 5., 2002). Savin alleged in its complaint and the 3-member panel agreed that, "Respondent need not completely confuse Web users in order to damage Complainant. The damage to Complainant occurs by causing Web users to go to Respondent's Web site. See *Diageo PLC v. Zuccarini*, D2000-0996 (WIPO Oct. 22, 2000) *Diageo PLC v. Zuccarini*, D2000-0996 (WIPO Oct. 22, 2000)..." The Domain Name was not being used for any site and Savin attempted to settle with him, "...if Respondent simply withdrew the domain name <savinsucks.com>, or if Respondent agreed not to use the domain name as a host name for a Web site at any time in the future."

Savin alleged the Domain Name was confusingly similar to its mark, but the panel expressed doubt, based on "precedent" from other UDRP arbitrations, whether "a domain name including "sucks" ever can be confusingly similar to a trademark to which "sucks" is appended." They held on this issue, "Since all of the decisions cited by Complainant are distinguishable from the present proceeding; since Complainant has not provided any evidence of actual confusion; and since Complainant's own admissions and statements show that there is no confusion, complainant has failed to prove that <savinsucks.com> is identical, or confusingly similar to Complainant's trademark.

On the "Bad Faith" issue, the panel found that there is no site now and that, though the "sucks" site of the future might harm Savin's business, is no reason to find bad faith. They stated, "...here is no site operating at this time, nor is there any evidence that Respondent intends for commercial gain, to attract Internet users to a site. Given that none of the four enumerated policy criteria with respect to bad faith have been met, that leaves the Panel with the question of whether there is bad faith for some other reason." None was found. Result: for Respondent.

¹⁵ These "Sleekcraft factors" are: (1) strength of the mark; (2) proximity of the goods; (3) similarity of the marks; (4) evidence of actual confusion; (5) marketing channels used; (6) type of goods and the degree of care likely to be exercised by the purchaser; (7) defendant's intent in selecting the mark; and (8) likelihood of expansion of the product lines.

Ernest & Julio Gallo: having a wine comments site is not convincing enough to have free speech shield stesling famous registered Trademark. In *E. & J. Gallo Winery, V. Spider Webs Ltd., Thumann Et Al.* (U.S.C.A. 5th Cir, 4-3-2002) So. D. Tex., No. 01-20333 the famous winery sued under ACPA, unfair competition and dilution for causing “ernestandjuliogallo.com” to become registered and preventing the winery from having its registered Trademark as a Domain Name. The Defendant raised as one defense First Amendment; that because they had turned the heavily commercial site into site, “discussed the lawsuit, the risks associated with alcohol use, and alleged misrepresentations by corporations.” They hoped that this would prevent operation of ACPA. Spider also had disclaimers but not enough: “Although the first page contained a disclaimer that stated ‘This Site Is Not Affiliated With Ernest & Julio Gallo (R) Wineries,’ none of the other linked pages did...”

The Court did not swallow the First Amendment defense and stated that unlike a “sucks” site, “However, the court stated in dicta that “even if Faber did use the mark as part of a larger domain name, such as ‘ballysucks.com,’ this would not necessarily be a violation as a matter of law.” Thus under the dicta in this case the First Amendment will not always defend if the cybersquatter has made the claim to the exact Trademark and that Trademark is registered¹⁶ and strong.

Celebrity Names.Com under the UDRP

Famous Names as trademarks: The P.T.O.¹⁷ has a policy about famous names based on case law that holds, (1) the name *describes* the person and therefore, unless there is a use other than as the name of the person, it is not fanciful enough to serve as a Trademark and (2) famous names do not serve a Trademark function to identify goods unless there are a series of goods and they emanate from the named person. Trademark Act Sections 1, 2 and 45, 15 U.S.C. Sections 1051, 1052 and 1127. Also see *In re Spires*, 225 USPQ 693 (TTAB 1985) and *In re Polar Music International AB*, 714 F.2d 1567, 221 USPQ 315 (Fed. Cir. 1983).

Choosing the right Arbitrator is a must. Make no assumptions about the fame of the client in any international forum. In *Springsteen* it was a case of: no trademark registration, no evidence, no dice. Bruce Springsteen did not fare well at the ICANN hearing in *Bruce Springsteen -v- Jeff Burgar and Bruce Springsteen Club* Case No. D2000-1532 (January 25, 2001), even against this rather infamous cybersquatter. If the trademark is so famous as to carry with it the image or sound of the performer, in the entertainment industry it may be said to have gained secondary meaning. But this panel was not familiar with entertainment industry practice and focused on the P.T.O. policy above stated.

Bruce asserted, *inter alia* that the use of his name creates a misleading impression of association with Burgar’s heavy advertising site. The fact that the Respondent owned some 1,500 URLs was some evidence of “Bad Faith.” But Springsteen failed to produce enough evidence of use for the panel. He relied on assumed fame. The panelists included Gordon D. Harris and Michael Froomkin, who criticized holdings against Domain Name registrants of famous persons names¹⁸, “It appears to be established ...from cases ... [of] Jeanette Winterson, Julia Roberts, and Sade that in the case of very well known celebrities, their names can acquire a distinctive secondary meaning giving rise to rights equating to unregistered trade marks, notwithstanding the non-registerability of the name itself.” However, they went on, “... In the view of this Panel, it is by no means clear from the UDRP that it was intended to protect proper names of this nature.”

There were a few comments about the cases cited by Springsteen “...In this case ... Bruce Springsteen’s representatives rely heavily on authorities, and produced copies of a number of previous

¹⁶ Gallo had registered the trademark “Ernest & Julio Gallo” on October 20, 1964

¹⁷ U.S. Patent & Trademark Office see www.uspto.gov

¹⁸ See: *Fair.com?:An Examination of the Allegations of Systemic Unfairness in the ICANN UDRP* Professor Michael Geist
University of Ottawa, Faculty of Law Director of E-commerce Law, Goodmans LLP www.icann.org

decisions which they believe to be relevant. Mr. Bugar, on his own behalf, has produced a substantial response...” What this significant comment means is, have your substantial evidence at hand. You should never rely on “assumed fame” as you would not rely on it in a “dilution” case. I would have produced a stack of albums, CDs and awards to the arbitrators. When the panel states, “it should be noted that *no evidence* has been given of the name “Bruce Springsteen” having acquired a *secondary meaning*, ...[and we note]... that there is *no registered trade mark* in the name ‘Bruce Springsteen’,” you know you have problems. The panel also stated a proposition that has been clarified and basically reversed in UDRP subsequent arbitrations (see below), “In most jurisdictions where trade marks are filed it would be impossible to obtain a registration of a [celebrity] name of that nature....”

The other factor against the former R&R “king” was he registered “brucespringsteen.net” in 1998 and so, “... there has been no evidence that Bugar intended to stop Bruce Springsteen from registering the domain name, “brucespringsteen.com” and ...“brucespringsteen.net” ...and that, presumably, that should have sufficed.” The WIPO Arbitration and Mediation Center Panel found that the 3-part test lacked part 2 of the UDRP required in paragraph 4(b)(ii).¹⁹ This part of the decision has been criticized; see below. Because Springsteen owned *A Domain Name* with his name in it was enough for this panel. It does serve to demonstrate that *arbitration* can be subject to the personal whims or viewpoints of the panelists, and can be *arbitrary*. Also, UDRP rules can change such as NAF changing some of its ADR rules to accommodate complaints by parties, especially Respondents.²⁰

The panel also interestingly cited “precedent” but rejected it: “Further, in the Julia Roberts case, there is a suggestion that the registration of the domain name **juliaroberts.com**, “necessarily prevented the Complainant from using the disputed domain name”. As indicated above, that is not sufficient to meet the criteria required under the UDRP for the relevant circumstance in paragraph 4(b).” *Query*, whether the “DOT COM” version of a URL itself is most valuable for a Trademark owner because it is generally seen as the “official” site of a personality or business?

Reversal of the Springsteen Attitude

In the Celine Dion case, *Celine Dion and Sony Music Entertainment (Canada) Inc. v. Jeff Bugar operating or carrying on business as Celine Dion Club*, Case No. D2000-1838, the panelist William R. Cornish stated, “It has been accepted in ...UDRP decisions that authors and performers may have trademark rights in the names by which they have become well-known.” He went on, “The majority of the Panel in Case D2000-1532, *Springsteen v. Bugar* has cast doubt on this view, but their dictum is in no way necessary to their Decision and I have not accepted it in deciding Case D2000-1628, *Julie Brown v. Julie Brown Club*.”

The Springsteen ruling was wrong because famous personalities can establish common law rights to their name, even if it is not a registered trademark, “...Authors and performers can establish trade mark rights either by showing that they have registered their names as marks for certain goods or services, or because, through deployment of the names as source indicators in commerce, they have ... “common law” rights to protection against misleading use.” Interestingly this panel asserted a well known fact as legal theory that, “it is particularly likely that an address which is the proper spelling of an artist's name in the .com gTLD²¹ will be treated by some as pointing to an official site.”

Rip Torn and the “Under Construction” site. Even a website not built yet might be grounds for a WIPO Arbitrator to award the name to the Claimant. Of course his case was helped by the

¹⁹ that a cybersquatting Domain Name registration, to be “bad faith” (among other factors) should have the effect of preventing the owner of a trade mark or service mark from reflecting the mark “in a corresponding domain name”.

²⁰ NAF is National Arbitration Forum, the largest U.S. based of the ADR provider”: <http://www.arb-forum.com>

²¹ gTLDs are the Generic Top Level Domains for example “.com” “.org” “.net” and the part of the name before the dot is termed the Secondary Level Domain where the creative part comes in, such as “greenandgreen” in “greenandgreen.com” A Domain Name is an easy to remember method for users to connect to a server that contains the website. These addresses are numerals like, “123.45.567.12” that few people can relate to.

fact that there was no active website at riptorn.com, which simply stated that the site is “under construction.” *Elmore “Rip” Torn, Jr., v. Riptorn.Com*, WIPO Case No. D2001-0850 (October 9, 2001). The incredible development in all of the UDRP ADR process is that we have ADR, but the “cases” are published and freely available and they cite and refer to other cases and precedent. The arbitrator solidified the rights of the famous to maintain the Domain Name and stated in *Rip Torn* that:

“It is now *well established* that *well-known entertainers and personalities are able to prevent the unauthorized registration of domain names in appropriate cases*. Refer: *Nicole Kidman v. John Zuccarini*, [No. D2000-1415](#) (WIPO Jan. 23, 2001) as cited above. That is, because of her renown, and the use of her name in connection with entertainment services, which provided a strong indication of source. The same principles apply here.”²²

Of course with that quote one expects that Mr. Torn got his Domain Name and you are right, but this was a relatively easy case and was defaulted.

Madonna-Pro- Active to the Hilt: *Madonna v. Dan Parisi* and “Madonna.com” Case No. D2000-0847. This case points out that even a celebrity must pro actively register her trademark to prevail in the world of Domain Name disputes. Madonna Ciccone is the owner of U.S. trademark registrations for the mark MADONNA for entertainment services and related goods (Reg. No. 1,473,554 and 1,463,601). She has used and is still using her name and mark MADONNA professionally for entertainment services since 1979. Note that this is a major difference from the Springsteen case where Bruce did not have the registrations in place. Other big differences from Bruce include that the Respondent operated his site as an “adult entertainment site that featured sexually explicit photographs.” He thoughtfully inserted a notice stating, “Madonna.com is not affiliated.” Despite the disclaimer, the respondent was held to have in bad faith used Madonna’s famous name. Of course, this was a different WIPO panel. They found for Madonna, “Although the word “Madonna” has an ordinary dictionary meaning not associated with Complainant....”

USA Law: Rights of Publicity, California Law and ACPA

Rights of Publicity: Depending on the famous personality, if they are lucky enough to live in California and be able to apply California law as the law of the forum in their dispute, that famous person may also have claims under the “strict liability” California Civil Code Sec. 3344²³ for living personalities or Section 3344.1 for deceased ones, against cybersquatters who use those names commercially without authorization.

California Personalities Get a Boost – Bus. & Prof. Code § 17525:

Under the California’s new Anti Cyber Piracy Act, personalities are generally more protected than they seem to be under ICANN arbitration. The law is consistent with the federal equivalent, ACPA. California’s new anti piracy act applies to living and deceased personalities. In part to remedy the shortfalls of inconsistencies in cases like Bruce Springsteen, in August 2000 the California legislature provided much clearer protection to personalities, most of whom California is famous for. This almost mirrors the federal ACPA. The new law states, “(a) It is unlawful for a person, with a bad faith intent to register, traffic in, or use a domain name, that is identical or confusingly similar to the personal name of another living person or deceased personality, without regard to the goods ... of the parties.”²⁴

²² Clive L. Elliott Panelist.

²³ That this law and Section 3344.1 are alive and well is shown by the recent case of *Comedy III Productions, Inc. v. Gary Saderup, Inc.* (4/30/01) Cal Supreme Court S076061 Appeal No. B120382, Super. Ct. No. EC020205, Review Granted 68 Cal.App.4th 744. Author’s partner, Beverly R. Green (AV) was the first attorney in California to register any deceased personality, that of Janis Joplin.

²⁴ See 15 U.S.C. 1125(c).

Does Not Apply if Copyrights are on the Site. As in the ACPA there is an escape hatch: “(b) This section shall not apply if the name registered as a domain name is connected to a work of authorship, including, but not limited to, fictional or nonfictional entertainment, and dramatic, literary, audiovisual, or musical works.”

Section 17525 also exempts Registrars: “(c) A domain name registrar, a domain name registry, or any other domain name registration authority that takes any action described in subdivision (a) that affects a domain name shall not be liable to any person for that action, regardless of whether the domain name is finally determined to infringe or dilute a trademark or service mark.”

ACPA Advantages: Anticybersquatting Consumer Protection Act

ACPA allows claims as if the Domain Name were In Rem “Property.” Under 15 U.S.C. Section 1125 (d) (2) (A) ACPA provides that “the owner of a mark may file an in rem civil action against a domain name in the judicial district in which the domain name registrar, domain name registry, or other domain name authority that registered or assigned the domain name is located...” In Rem - against the property rights in a Domain Name. If you cannot locate the Domain Name Registrant by notice then you may, by publication of notice as ordered by a court, obtain in rem jurisdiction in the district of the Court where the register has its offices.

ACPA Elements: One who “Registers, traffics in, or uses a domain name of a mark that is distinctive at the time of registration of the domain name that is identical or confusingly similar to that mark or mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark, with the bad faith intent to profit from that mark...can be found to be a “cybersquatter.”

Bad faith differs from the UDRP: Statutory factors: They apply Traditional US trademark notions of first to use and nature and extent of use. Personal Jurisdiction can be difficult to obtain when your Respondent is out of the USA. The statute provides: “(1)(A) A person shall be liable in a civil action by the owner of a mark, including a personal name which is protected as a mark under this section, if, without regard to the goods or services of the parties, that person...(i) has a bad faith intent to profit from that mark, including a personal name which is protected as a mark under this section; and (ii) registers, traffics in, or uses a domain name that--(I) in the case of a mark that is distinctive at the time of registration of the domain name, is identical or confusingly similar to that mark; (II) in the case of a famous mark that is famous at the time of registration of the domain name, is identical or confusingly similar to or dilutive of that mark; or (III) is a trademark, word, or name protected by reason of section 706 of Title 18 or section 220506 of Title 36.”

Other factors that are not found expressly under the UDRP include Sec (B)(i): “In determining whether a person has a bad faith intent described under subparagraph (a), a court may consider factors such as, but not limited to (I) the trademark or other intellectual property rights of the person, if any, in the domain name; (II) the extent to which the domain name consists of the legal name of the person or a name that is otherwise commonly used to identify that person; (III) the person's prior use, if any, of the domain name in connection with the bona fide offering of any goods or services; (IV) the person's bona fide noncommercial or fair use of the mark in a site accessible under the domain name; (V) the person's intent to divert consumers from the mark owner's online location to a site accessible under the domain name that could harm the goodwill represented by the mark, either for commercial gain or with the intent to tarnish or disparage the mark, by creating a likelihood of confusion as to the source, sponsorship, affiliation, or endorsement of the site; (VI) the person's offer to transfer, sell, or otherwise assign the domain name to the mark owner or any third party for financial gain without having used, or having an intent to use, the domain name in the bona fide offering of any goods or services, or the person's prior conduct indicating a pattern of such conduct; (VII) the person's provision of material and misleading false contact information when applying for the registration of the domain name, the person's intentional failure

to maintain accurate contact information, or the person's prior conduct indicating a pattern of such conduct; (VIII) the person's registration or acquisition of multiple domain names which the person knows are identical or confusingly similar to marks of others that are distinctive at the time of registration of such domain names, or dilutive of famous marks of others that are famous at the time of registration of such domain names, without regard to the goods or services of the parties; and (IX) the extent to which the mark incorporated in the person's domain name registration is or is not distinctive and famous within the meaning of subsection (c)(1) of this section.” All this leads to a but more certainty and predictability than under UDRP.

ACPA Statutory Money Damages:

In *The Joe Cartoon Company Vs. Zuccarini* (April 24, 2001 U.S.C.A. 3rd CIR. No. 00-2236) is a case that began prior to enactment of ACPA wherein Joe's Cartoons won not only the trial but also established some of the first guidelines regarding statutory damages. The 15 year old Joe's Cartoons became famous. It was popular on t-shirts and other merchandise, Joe's site gets over 700,000 "hits" per month, it was awarded "Shock Site Of The Day" and is advertised nationally with a circulation of over 1.3 million. The Defendant is *John Zuccarini*, is a registrant of many thousands of "famous" Domain Names that are misspelled to attract poor typists. Whether called "typosquatting" or "piracy" the result of the case is that one cannot take advantage of the misspelling public and use famous names for personal gain to the tune of, as alleged between \$800,000 and \$1 million per year. ACPA (15 U.S.C. Sec 1125(d)) is effective to stop names; the Defendant kept using the names after the Nov. 29, 1999 effective date.

Typosquatting is not a First Amendment use nor a family value: Joe Cartoon was "distinctive" (famous trademark or recognizable). The Domain Names derived by Zuccarini though spelled "wrong" are designed to get hits and are found "identical or confusingly similar" to Joe and "typosquatting" is not a legitimate use. Zuccarini's argument that he merely capitalizes on typos was specious; there was intent to profit from using the errors of others. Note that the Court found the Act's legislative history included an incident of a child who typed "dusney.com" and wound up at an Adult web site. There was no "fair use" Safe Harbor of 1125(d)(1)(B)(i). These legislative factors are another good reason why the ACPA might be best for complex, domestic and difficult cases where the Defendant is available *In Personam*. The Court also found under the facts, likelihood of confusion between Defendant's Domain Names and the trademarks.

Best Practice -- Choice Of Forum And Law At Contract Time: Be it U.S.D.C. and ACPA or an ADR method, the factors that make that choice must include: ADR is Arbitration, subject to any or no law; it is decided by arbitrators, who might have certain proclivities towards one or another political stand and base part of their decision on those. There may be no finality with arbitration because it can lead to further litigation as an appeal (see the *Corinthians* case below). It is a best practice these days to at least examine whether to contractually require an arbitrator to apply certain law, specify a certain ADR provider and even to name certain panelists or at least their qualifications.

Among the major differences between the ACPA and ICANN UDRP rules is that the ACPA is a Congressional Act and under ACPA one can obtain injunctions, transfers, money damages and attorney fees in special cases. See the *Joe's Cartoons* case herein. Yet if jurisdiction is an issue and one cannot meet the In Rem rules under ACPA then the ADR processes of ICANN might be the better alternative.

ACPA – HANDS ACROSS THE SEAS

London - Franchises and Merchandisers watch out: Where the defendant asserts they have been using a mark for decades, that they had a grant of right from the "original" user, how now can Harrods complain of the use as a Domain Name? Such was the case in *Harrods Ltd. v. Sixty Internet Domain Names* E.D.Va.,2001. (June 27, 2001)²⁵. This was one of the first pure *in rem* civil actions, brought under the Anti-Cybersquatting Consumer Protection Act ("ACPA"), 15 U.S.C .A. § 1125(d), et seq. Harrods, Ltd., was founded in 1849. At first glance this case *seems extraordinary* because the

²⁵ Westlaw cite: 2001 WL 739885

Defendant had the “rights” since 1913. Yet, because the HBAL or “foreign” Harrods had declined into a mere parking lot, they in effect abandoned the use (damaging the goodwill) and merely precluded the “real” Harrods, Ltd. from having its desired Domain Names. The Court stated, “Although not explicitly stated in § 1125(d)(2)(A), ...Congress intended to require a plaintiff to plead and prove In Rem, that the domain name registrant had a ‘bad faith intent to profit’ from the plaintiff’s mark.” Under ACPA “a person shall be liable ... if ... that person ... registers, traffics in, or uses a domain name” The language “a person shall be liable” being a civil standard, (as opposed to “guilty”) and so the *preponderance of the evidence standard* is applied. Result: Sixty Domain Names were transferred to London.

Barcelona – City Rights over Private Business: *Barcelona.Com, Inc. v. Excelentísimo Ayuntamiento de Barcelona* 2002 WL 359759, (E.D.Va., Feb. 22, 2002) held that the famed city in Spain was able to prove its rights to the Domain Name “Barcelona.com” to claim it as the official website of the city. This was against the trend because the original registrants were a legitimate Barcelona –o oriented travel website that actually aided people traveling there. The Court used Spanish Law and

Cybersquatters Rights?

Not all cases go for the Trademark owner. A large body of cases have developed in the last year seemingly setting forth elements of a case FOR the alleged cybersquatter. These elements include: The warehousing of a Domain Name that is also a weak or not famous Trademark for later sale by a developer (SouthBank). The use of a Domain Name that will not be regarded as causing public confusion because the website does not exist or carries a very clear disclaimer (Alcoholics Anonymous).

The Case of the One that Got Away *South Bank*: Reliance on Generic Words

SOUTH Bank v. Media Street, Case No. D2001-0294 (WIPO, April, 2001) was the one that got away from a Federal Savings Bank against a person from Nairobi, Kenya who lives and works at “south bank” a famous British geographical term. He Domain Name was “southbank.com” registered by NSI to confer jurisdiction of the UDRP. “Complainant owns four *state registered trademarks* in the trade name and service mark “SOUTHBANK” in Tennessee (registered on March 4, 1991), Mississippi, Alabama and Arkansas through 2001. South Bank alleged it was the first to use the mark in these states and thus a senior user according to the Lanham Act and state laws.

The respondent was an English resident at the time he obtained registration of the Domain Name. He contended that his sole business is website design and online database design. He contended that, “at the time of registering ‘southbank.com’, his UK residence was in the *South Bank area of London*. He claims that at the time of registration he was totally unaware of the existence of the Complainant in 4 U.S. States. Further Respondent was in negotiation on sale of the Domain Name at that moment, “he has been in discussion with a UK publisher to launch “southbank.com” in June 2001 as a site which employs database technology, known as Formatic....” He also alleged that, he invested a great deal of time and money in developing the software behind “southbank.com.” During attempted settlement negotiations with SOUTH Bank, his request for a higher offer than US\$500 was not, he alleged, unreasonable to compensate for the loss of a prestigious domain so perfectly suited to the London South Bank project. Lastly it was alleged the loss of “southbank.com” will, “cause him both serious financial hardship and loss of credibility.” The offer to sell the Domain Name to the complainant bank earlier, is, under the U.S. ACPA a sure sign of a cybersquatter. Of course it may be that if SOUTH Bank did not have its “.com” that its credibility may also be questioned.

The Findings and ultimate failure of South Bank to get “its” Domain Name were very interesting and point out that these cases do not always go to the Complainant in the face of a legitimate albeit questionable use. The panel found part I, *Complainant’s rights in the underlying mark*, it had clearly established federal and state statutory and common law trademark rights in it SOUTHBank. But as to part II, *similarity of the mark* again, It specifically held, “... The first part of the domain name "southbank" is nearly, *but not absolutely identical*²⁶ to the Complainant’s mark, due to the use of capitals and lower case letters in the SOUTHBank mark....The Panel notes that as the ‘.com’ suffix can be used by banks and other businesses, the Respondent’s registration of the domain name with this suffix is consistent with the Respondent’s stated intended use of the domain name. They found that, “when combined with the .com suffix, the first part of the domain name is so close to the Complainant’s trademark as to be confusingly similar in terms of paragraph 4a(i) of the Policy.

Part III is *whether the Respondent had registered the Domain Name in bad faith*. Here the Panel found, (1) “The South Bank area of London has a distinct and established meaning as a particular area on the south side of the Thames, known for its cultural and entertainment amenities.” (2) “Across the range of unique or distinctive words through to generic words²⁷, south bank is clearly at the generic end of the spectrum. The separate components, south and bank, are both common and general words, in frequent use in English in a variety of everyday contexts. ...[*Because south bank is such a weak mark in that it is generic, it uses common words and is a geographical designator generally.*]” [Emphasis supplied] (3) The panel were also shown that the Respondent did a search that showed the use of its Domain Name was legitimate since others also desired and registered versions of it, “The use of "southbank" as the first part of a domain name is not unique. Current domain names in existence on the internet include "southbank.co.uk" which refers to a media consultancy business in London, "southbank.cc" which refers to serviced apartments in Melbourne and "southbank.org" which refers to a school in London.”

Had SOUTH Bank done its homework it might have acted differently and federally registered its Trademark in 1991 which could confer better priority rights to it, the assumption of ownership and deemed knowledge of the infringer of the existence of the mark. The panel then found that the fact that there were negotiations between the respondent and the bank did not prove that the respondent registered the name *primarily* with the intent of selling it to the complainant. Likewise, tending away from bad faith is the fact that "southbank.com" was registered by the Respondent on July 22, 1996, three and a half years before the allegation of attempted sale to the Complainant. Denial, for the Respondent. Last lesson, do not sit on these rights.

The Case of the Legitimate Member. The Alcoholics Anonymous case was unique in how the cybersquatter got to keep AA.COM. This was the defeat of the Complainant due to its published policies that are really inconsistent with the exclusive use they claimed. , “As regards proof of element (1) ... the Complainant has adequately demonstrated its own intellectual property rights in the mark “ALCOHOLICS ANONYMOUS”. As regards the lack of legitimate interest or rights in the domain name, Respondent has, by virtue of its claim to be one of the local groups representing the Alcoholics Anonymous organization in its area, raised this issue.” Because the

²⁶ Is this a bit of a stretch?

²⁷ In Trademark parlance, the spectrum from “descriptiveness - generic - to - suggestive - to - fanciful”

published website for AA stated that, "Upon information and belief of this Panel, *Alcoholics Anonymous* is a highly decentralized fellowship of local organizations around the world, and Complainant acts primarily as a publishing house in a very decentralized organizational structure of Alcoholics Anonymous," the Respondent had a legitimate right to also use this Domain Name. "Accordingly, ... Respondent does have some legitimate right to use the domain name as well."

Attorneys Winning and F.R.Civ.P. 11 Sanctions

It has come to light that because cases can be brought under ACPA and/or UDRP in an international forum, there is an interplay between these forums. Caution must be exercised, for an over zealous or simultaneous use of both forums can either cause a reversal and win the day (Corinthians) or a sanction against the attorney for not acting in good faith (Storey v Cello).

Sanctions for Bad Faith Multiple Filings and Motions.

The Court in *Storey v. Cello Holdings, L.L.C.* (S.D.N.Y., 2002) 182 F.Supp.2d 355 held that an attorney could appropriately be held for sanctions, attorney fees and coverage of Court costs. The cybersquatter here registered many musical instrument Domain Name including "cello.com." The complaining parties are makers of fine cellos since the 1980's. In a first action, Cello Company Limited sued Storey for the Domain Name it wanted. The attys advise the Court it had settled, though it was only discontinued by Cello.

Later Storey offered to sell the name to Cello and Cello complained under UDRP to eResolution an ADR provider. The attorney asserted that the Court process was dismissed, which it was officially not. Then, while the ADR was pending, Cello filed a new complaint in New York for the Domain Name asking for a Declaratory Judgment that Storey was not in bad faith. The eResolution Panel held for Cello and the New York action was dismissed for lack of merit to the word Cello as a Trademark.

The main issue was the behavior of the attorneys who misrepresented the nature of the "dismissal" and that they had a pending case in Court while filing the UDRP claims. Because the proceedings were almost identical in the UDRP and original actions, "--for precisely the same reasons--the alleged confusion between Cello's mark "Cello" and "cello.com." As a consequence, Cello was barred from reasserting its claims in the arbitration proceedings." The bottom line of this is do not attempt to use UDRP as a substitute for a Court action. It may be possible to go the other way, however.

Conclusion: Declaratory Actions as Appeal under ACPA from UDRP

What if you lose your rights to a Domain Name under the UDRP? The case of *Sallen vs. Corinthians Licenciamentos LTDA* (U.S.D.C. Dist. Mass., 12-2001) No. 01-1197 recently held that under the ACPA 5 U.S.C. § 1114(2)(D)(v) and the declaratory judgment statute, 28 U.S.C. § 2201 it is possible to maintain a declaratory relief action to attempt to reverse the adverse, and potentially unfair, UDRP decision by WIPO and obtain a declaration that the use of a Domain Name is not a violation of ACPA. The result in *Corinthians* is that the Domain Name used to post biblical texts, was reversed and the rights were reactivated and transferred back to the alleged cybersquatter.